



As I sell

THE RATE OF ECONOMIC GROWTH IN VARIOUS PARTS OF THE UNITED STATES

ONE measure of economic growth is the increase in bank deposits and, fortunately, these figures are available by counties for the United States. The map which forms the spread in this report shows the percentage change in time and demand deposits by counties from 1950 to 1956. On this map we have grouped all of the counties which are considered a part of any metropolitan area, and these counties are treated as a unit for the area.

From December 1950 to June 30, 1956, total time and demand deposits increased by 22.1%. This was not all net gain, however, as during the same period the consumer price level increased by 8.7%. As will be seen from the table on page 126, metropolitan areas had a slightly greater increase than the rest of the United States, as metropolitan areas increased by 24.2% during this period.

The general appearance of this map is different from the map on bank deposits which we published in the Trends Bulletin of September 19, 1950. That map showed the ranking of counties on the basis of bank deposits per capita. On that basis most of New England, New York State, Eastern Pennsylvania, New Jersey, and Delaware were in the highest classification. Also in the high classification were Northern Illinois, Southeastern Wisconsin, a large part of Kansas, a considerable portion of Wyoming, Montana, the northern part of Nevada, and about two-thirds of California. The South, with the exception of parts of Florida, was in the lower classifications.

In this study, however, the picture is different, as many of the areas which, from the standpoint of bank deposits per capita, were low on the other study, are now in a high classification showing rate of increase. A large part of the Southern States is showing a rapid increase in bank deposits as great or greater, on a percentage basis, than is shown in New York and New England. The greater industrialization of the South is probably one of the reasons many of these counties are now in the highest grouping from the standpoint of bank deposit growth.

The excellent showing of the State of Florida, Southern California, and Arizona is probably due, not only to the industrialization of these areas, but also

to the tremendous increase in population, particularly of older persons carrying with them, in many cases, considerable liquid assets. Michigan shows up much better on this map, showing rate of change, than it did in our previous map which showed bank deposits per capita. On the other hand, the Middle West and much of the Northwest do not show up so well on this study as they did on the study which showed the per capita ranking of bank deposits.

On this map, changes in bank deposits are shown for 2,902 areas. There are 3,103 counties in the United States, but since each metropolitan area, consisting, in most cases, of a number of counties, is considered as one unit, the number of units shown is less than the number of counties. Counties which are shown uncolored on this chart are either counties which do not contain banks or counties on which, for some reason or other, the figures were not available either in 1950 or in 1956.

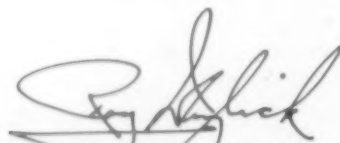
It is rather startling, in studying this map, to find that 25.4% of all the units shown had a decrease in bank deposits, in spite of the fact that from 1950 to 1956 there was considerable inflation. In 9.2% of all the units shown, the decrease was more than 10% between 1950 and 1956.

On the other end of the scale, 26.1% of all of our units had an increase in bank deposits which exceeded 30%. This leaves approximately half of all our units with an increase somewhere between 0 and 30%.

A close study of the map reveals the fact that most metropolitan areas, as units, are not in the highest classification but frequently counties surrounding these metropolitan areas are, which would indicate that many of these surrounding counties are increasing in population and becoming more urbanized.

One other conclusion from studying the individual units would be that, with the greater mobility of the population, due to better roads and cars, apparently some of the banking which was formerly done in one county has now been transferred to other counties containing larger banking facilities. It will be noticed, for instance, that a large number of counties in Texas, Kansas, Nebraska, South Dakota, Colorado, Wyoming, and New Mexico have a decrease of 10% or more in bank deposits. While some of this is undoubtedly due to a shrinkage in rural population, that cannot be considered as the only explanation.

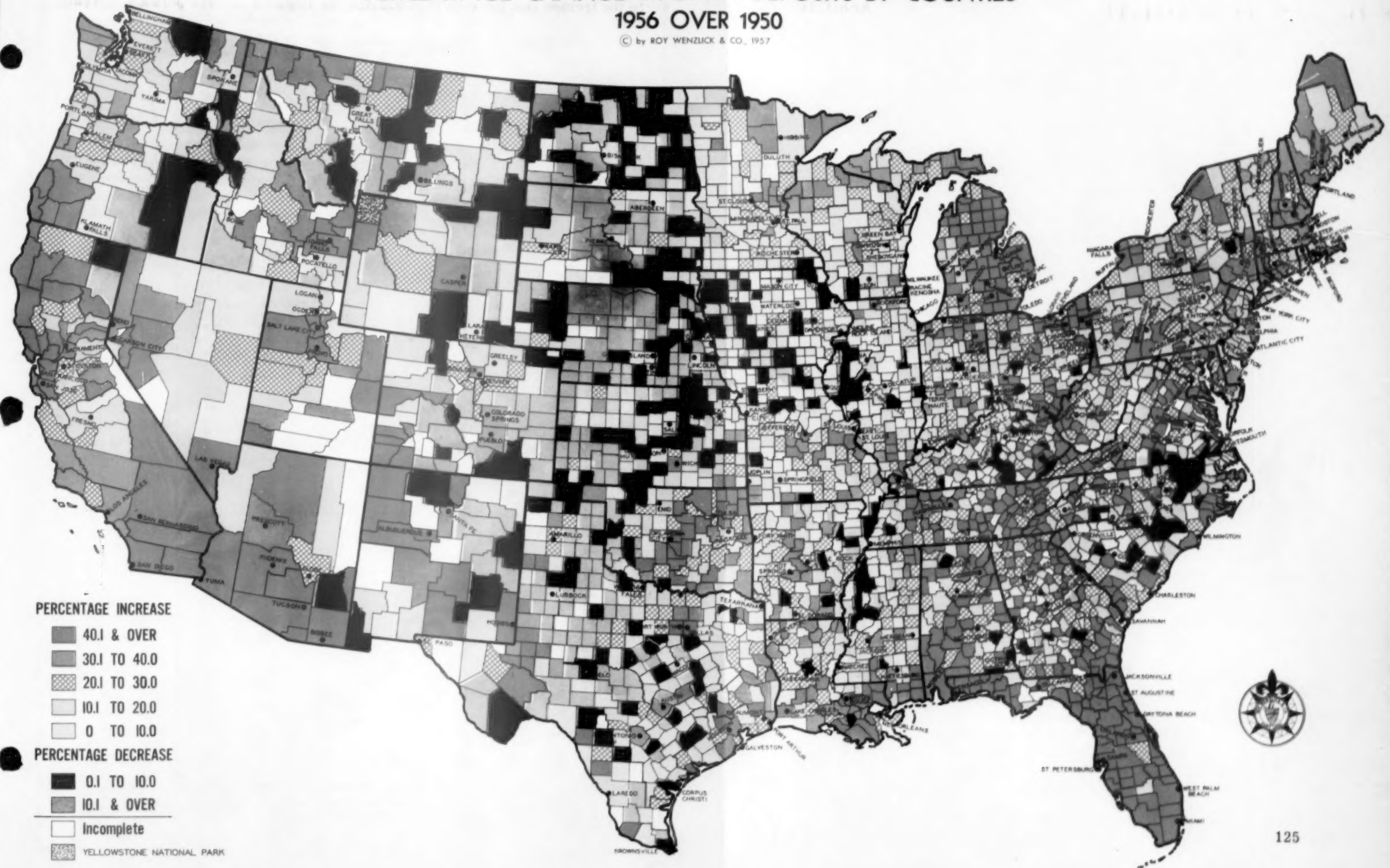
There are relatively few counties in the entire southeastern part of the United States where bank deposits have declined in this 6-year period.



ROY WENZLICK

PERCENTAGE CHANGE IN BANK DEPOSITS BY COUNTIES 1956 OVER 1950

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Number Of Counties, By States, In Each Group Classification Of Bank Deposits

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	% \$ change Dec. 1950- June 30, 1956*	Increase†					Decrease†	
		Group I 40.1% & over	Group II 30.1%- 40.0%	Group III 20.1%- 30.0%	Group IV 10.1%- 20.0%	Group V 0%- 10.0%	Group VI 0.1%- 10.0%	Group VII 10.1% & over
Alabama	+26.5	12	17	16	8	5	4	
Arizona	+57.8	5	2	1	2		1	
Arkansas	+15.0	4	9	13	24	12	6	5
California	+34.0	10	10	9	8	1	1	1
Colorado	+23.6	7	3	4	7	6	7	16
Connecticut	+32.8	1	3	3	1			
Delaware	+11.4		1	1				
Florida	+67.9	47	3	4	5			
Georgia	+26.8	40	16	31	19	16	7	13
Idaho	+18.3	4	8	5	11	9	1	3
Illinois	+14.9	4	6	9	22	32	15	1
Indiana	+21.4	7	12	20	20	19	4	1
Iowa	+10.1			5	18	35	27	7
Kansas	+14.1	1	4	7	19	24	27	19
Kentucky	+14.1	12	9	11	25	27	18	12
Louisiana	+30.8	14	13	10	11	6	2	
Maine	+29.7	1	4	6	5			
Maryland	+20.5	5	4	5	4	1		
Massachusetts	+22.4	1	5	4	4			
Michigan	+27.7	24	22	16	8	2	1	
Minnesota	+15.8	6	5	17	29	23	2	
Mississippi	+15.4	9	7	17	19	17	9	2
Missouri	+15.0	8	7	22	24	29	12	6
Montana	+14.9	3	3	8	10	8	13	7
Nebraska	-2.4	1		1	5	6	27	47
Nevada	+51.3	5	2	2	2	5		
New Hampshire	+37.0	3	4					
New Jersey	+25.5	2	3		1			
New Mexico	+30.6	7	2		3	4	5	6
New York	+20.2	3	7	16	13	3	1	
North Carolina	+13.8	18	8	16	15	10	19	7
North Dakota	-2.3	2			1	9	25	13
Ohio	+23.0	7	12	21	16	9	4	1
Oklahoma	+25.8	15	14	14	12	7	7	6
Oregon	+20.6	4	4	6	5	9	4	1
Pennsylvania	+16.2	2	8	13	16	4	1	
Rhode Island	+14.1		2	1	2			
South Carolina	+14.1	7	3	5	9	10	7	1
South Dakota	+1.3			3	7	11	20	21
Tennessee	+23.7	25	19	14	19	7	1	4
Texas	+29.0	19	14	26	33	47	31	57
Utah	+35.9	6	4	5	4	1		
Vermont	+23.8		2	7	5			
Virginia	+32.4	25	19	29	9	7	5	4
Washington	+16.7	4	4	4	10	8	4	1
West Virginia	+21.3	4	6	13	14	10		
Wisconsin	+15.7	6	5	17	22	13	2	
Wyoming	+13.7	2	1	1	7	3	4	5
Metropolitan Areas	+24.2	21	28	50	45	12	1	0
United States	+22.1	413	344	508	578	467	325	267

*The average percentage change figure for each State includes all counties within the State.

†Due to multi-State composition of some of the metropolitan areas, the figures for metropolitan areas are excluded from the State figures showing distribution by groups, and are given as a separate entry in this table.